

# Gen. Meyers Pleads Innocent To Senate Perjury Charge

## Truman Seeks To Free 10 Million Taxpayers, Raise Business Levies

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many millions. The 10 million individuals who would be relieved of taxes altogether represent about one-fifth of all persons who annually have been making returns under high wartime tax rates.

**Only Surprise Package**

It was the only surprise package in Mr. Truman's message although political realists had been confident he would in some way counter Republican income tax maneuvers in an election year.

"It is estimated," Mr. Truman said, "that such a tax credit would reduce the Federal revenue by \$3,200,000,000. This reduction should be made up by increasing the tax on corporate profits in an amount that will produce this sum—with appropriate adjustment for small corporations."

He said corporate profits in 1947 hit a record-breaking \$17 billion, after taxes while many families were suffering hardship because of the high cost of living.

He proposed tax rate adjustments "so that those least able to pay will have their burden lessened by the transfer of a portion of it to those best able to pay."

### Proposes Minimum Wage of \$30 a Week

Mr. Truman's proposed hike in minimum wages would be the equivalent of a boost from \$16 to a minimum of \$30 per 40-hour week. He asked more funds for anti-trust enforcement and stronger legislation to protect competition against monopoly.

The President called on industry to invest \$50 billion in the next five years to expand and improve production facilities.

He told Congress our social security structure was only half-finished. The message proposed broader coverage and higher pay levels for unemployment compensation, old age benefits and survivors' benefits.

This should be accompanied, Mr. Truman continued, by a national system of payment for medical care based on insurance principles and substantial Federal assistance to overcome educational inadequacies in any state.

"Our ultimate aim," he said, "must be a comprehensive insurance system to protect all our people equally against insecurity and ill-health."

### Wants Rent Controls Stronger and Longer

He asked Congress to create a Department of Welfare to administer the expanded health, education and security programs.

Mr. Truman said every American family should be provided with a decent home within the next 10 years. Meantime he demanded extension and strengthening of rent controls.

"As an immediate step," he said, "we need the long-range housing program which I have recommended on many occasions. This should include financial aids designed to yield more housing at lower prices. It should provide public housing for low-income families and vigorous development of new techniques to lower the cost of building."

The message keynotes were peace and prosperity. But Mr. Truman warned that inflation was dangerous out of hand and must be checked to prevent depression.

To that end he asked again for the cost-of-living controls which the November-December emergency session of Congress considered and largely rejected. These included authority for limited rationing of scarce commodities and for wage-price ceilings.

### Says Inflation Holds Threat of Depression

"High prices must not be our means of rationing," the President told Congress. "We must deal effectively and at once with the high cost of living."

"Already inflation in this country is undermining the living standards of millions of families. Food costs too much. Housing has reached fantastic price levels. Inflation threatens to bring disagreement and strife between labor and management."

"Worst of all, inflation holds the threat of another depression." He said the price spiral was continuing its upward zoom and that since October wholesale prices had increased at an annual rate of 18 per cent and retail prices at an annual rate of 10 per cent.

On the brighter side, Mr. Truman reported 14 million more Americans have jobs today than in 1938 and our yearly output of goods and services up two-thirds.

Those 10 years roughly cover the period of World War II. But he said we could increase our annual output by at least one-third above the present level and nearly double our standard of living compared with 10 years ago.

### Says Farm Families Lag Behind City Folk

As of now the President reported that the average income of the people measured in purchasing power had increased about 50 per cent since 1938. But he said farm families were lagging behind the living standards of city folk.

He estimated average farm income at \$779 compared with \$1238 for non-farm people. Mr. Truman said we could "go far toward stamping out poverty in our generation" by increasing our annual production.

He asked Congress again for enactment of universal (military) training. His message carefully

avoided use of the politically explosive word "military" in making this request.

"We look forward," Mr. Truman explained, "to the day when nations will decrease their armaments. Yet so long as there remains serious opposition to the ideals of a peaceful world, we must maintain strong armed forces."

"There are many elements in a balanced national security program, all inter-related and necessary, but universal training should be the foundation for them all. A favorable decision by Congress at an early date is of world importance. I am convinced that such action is vital to the security of this nation and to the maintenance of its leadership."

### Pledges Full Support UN, Relief Abroad

The President reviewed his foreign policy, pledging full support to the United Nations and expressing confidence in its ultimate success.

He promised to submit later to Congress a special program of relief and reconstruction aid for China. Calling again for legislation to admit European displaced persons to United States shelter and citizenship, Mr. Truman said they would add strength and energy to the nation.

He pleaded for extension of the Reciprocal Trade Agreements Act under which this country recently took the initiative to obtain world wide tariff reductions.

He asked continued support for the international trade organization which seeks world-wide agreement on fair international trade practices.

Urging prompt congressional action on his request for \$6,800,000,000 to finance the first 15 months of the Marshall Plan, Mr. Truman asserted that this nation's policy of helping distressed democracies abroad "leads to peace—not war."

He thus answered charges by Henry A. Wallace and Soviet spokesmen that his administration is warmongering. The goal of U. S. foreign policy, the President asserted, is "a peaceful and prosperous world."

Mr. Truman pledged U. S. economic co-operation with the rest of this hemisphere, promised Congress an early program of aid for China, and said the United States would continue "full support to the United Nations."

He asserted that the "Truman Doctrine" had preserved Greek and Turkish integrity and promised to keep on trying to reach peace settlements, thus far blocked by Russia, for Germany, Austria, Japan, and Korea.

### Security of Human Rights High on List

"We are following a sound, constructive and practical course in carrying out our determination to achieve peace," Mr. Truman said.

"We are fighting poverty, hunger and suffering. We are building toward a world where all nations, large and small alike, may live free from fear and aggression. Above all else, we are striving to achieve a concord among the people of the world based upon dignity of the individual and the brotherhood of man."

"This," Mr. Truman said again and again: leads to peace—not war. High on his list of recommendations—Mr. Truman put security for the essential human rights of American citizens.

"Whether discrimination is based on race," he said, "or creed, or color, or land of origin, it is utterly contrary to American ideals of democracy."

"The recent report of the President's Committee on Civil Rights points the way to corrective action by the Federal government and by state and local governments. Because of the need for effective federal action, I shall send a special message to the Congress on this important subject."

## IN INDIANAPOLIS

**EVENTS TODAY**

Indiana Association — Dinner, LaRue's Restaurant.

Indiana Dietetic-Kitchen International Registration—3:30 p. m. Indiana Medical Center.

**EVENTS TOMORROW**

Caroline Scott Harrison Chapter, DAR—Afternoon, chapter house.

**MARRIAGE LICENSES**

John W. Harrell, 609 N. Beville; Audrey L. Harrell, 447 N. Tompkins.

**BIRTHS**

At General—Henry Evelyn Sauer; At St. Vincent's—William Mary King; Warren Emma Swanson; Charles, Dorothy; Robert, Brian; Francis.



**NO. 1 GLAMOUR DEB**—The season's number one glamour debutante, Virginia (Ginny) Leigh, is shown during a luncheon interview during which she told UP Staff Writer Leo Turner she wants to be a politician. Now society columnist of the New York Sun, she's planning to follow journalism as a career for nine years, then enter politics. (Story, Page 14).

## Here's How You Figure Proposed Income Tax Cut

Man With Wife, Two Children Would Subtract \$160 From Bill Owed U. S.

WASHINGTON, Jan. 7 (UP)—Here's how you would figure your income tax bill under President Truman's "cost-of-living tax credit."

You'd compute your 1945 taxes exactly as you did last year. The rates would be the same. But then you'd knock off \$40 for yourself and another \$40 for each dependent.

A man with a wife and two children would subtract \$160 from his tax bill, for example.

The credit would not take a bite out of taxes on 1947 income—the taxes on which final settlement is due March 15. The credit would apply to income received after Jan. 1, 1946.

**PRESIDENT TRUMAN** did not explain in detail how the plan would work.

But Treasury Department tax experts said that if Congress should approve the President's plan, the withholding tax would be adjusted immediately to take into account the reduction proposed by Mr. Truman.

**BUT** taxpayers who are not under the withholding system and who file quarterly installment returns would presumably be able to take their credits along with their first installment on 1946 income, which is due March 15.

In this respect, the President's proposal is similar to the tax reduction bill introduced by Chairman Harold Knutson (R-Minn.) of the House Ways and Means Committee, which also applies only to income received after Jan. 1. Treasury figures show that individuals paid \$18 billion in taxes last year.

**THE** Truman credit suggestion would free some 10 million of the nation's 50 million taxpayers from federal income tax. It would have the same general effect as though present \$500 individual exemptions were raised to a little more than \$700.

Exemptions come out at the "bottom," which means the taxpayer

at present—subtracts \$500 for himself and each dependent before he computes his tax.

The Truman credit would come out at the "top," after the tax is figured out.

**MR. KNUTSON** goes after tax reductions from the bottom. His bill first would raise individual exemptions from \$500 to \$600. This would free some 6,000,000 persons from federal taxes, saving them about \$2 billion.

In addition, he proposes special exemptions for elderly persons. These would free another 1,400,000 from taxes, at a cost to the Treasury of about \$200 million.

Mr. Knutson's bill goes further. All told it would cut taxes by a total of \$5,600,000,000, compared to Mr. Truman's \$3,200,000,000 cut. Other major provisions of the Knutson bill include cuts in rates of up to 30 per cent and a section permitting couples to split their taxes.

This latter would in effect extend the lower tax benefits enjoyed by couples in the 12 community property states to all states. Treasury officials, who are not adverse to tax splitting, have estimated that it would cost the Treasury from \$700 million to \$900 million yearly.

**THE** Truman plan would give the best break to large families, which would stand to gain more than they would under the Knutson plan even with cuts in the tax rate.

**CITY TO WEED OUT Rules on Traffic**

(Continued From Page One)

be left between the downtown area and the streetcar barns for the few remaining streetcars which use that route.

The board also was to consider today a number of promotions in the police department recommended by Police Chief Edward D. Roush.

Up for promotion from investigators to acting detective sergeants were Elmer White, David Clark, Joseph Hunt and Francis Crail.

**Car Sale Approved**

The chief also recommended the promotion of Sgt. Dean Schwartz to motorcycle sergeant, a promotion which allows him an additional \$10 per month salary under the 1946 budget. In the same category the chief recommended the promotion of Acting Sgt. Marion Ostermyer and William Cole, to the grade of acting motorcycle sergeants.

Twenty-nine other police officers were recommended for motorcycle officers that they might get the additional monthly pay.

Plans for the sale of the city-owned Mayor's car, a 1947 seven-passenger sedan, were advanced by the board. The board also received the recommendation from Mayor Feeney and D. G. Watkins, municipal garage superintendent, to sell three more cars which have been assigned to the Police Department. The Mayor said the cars are no longer needed.

**FIRST AMERICAN PRESS**

The first American newspaper was the Boston News-Letter, established by John Campbell in April, 1704.

## Faces Trial Feb. 16 on Six Counts

### 60 Years Maximum Penalty If Guilty

WASHINGTON, Jan. 7 (UP)—Maj. Gen. Bennett E. Meyers, retired Air Force procurement officer, today pleaded innocent to government charges of perjury in connection with Senate testimony on war contracts.

Meyers also pleaded innocent to charges that he induced Elmer H. LaMarre to procure himself before Senate investigators. LaMarre already has pleaded guilty to perjury charges.

Federal Judge David A. Pine set Feb. 16 for the start of Meyers' trial on a six-count indictment charging perjury and subornation of perjury.

If convicted on all counts, the dapper, balding 52-year-old general would be liable to a maximum penalty of 60 years in prison.

LaMarre is the youthful former president of the Aviation Electric Corp., who testified that Meyers reaped most of the wartime profits of the company.

LaMarre said Meyers set up the company, and in his capacity as a procurement officer for the Air Force, threw contracts to it.

He said Meyers induced him to lie to Senate investigators about his part in the deal.

## Fugitive Slaying Suspect Still Free

William Coleman, 22-year-old escapee from Central State Mental Hospital, was still at large today. A city and county-wide alert has been sounded for Coleman, termed "criminally insane" who once confessed the murder of nurse Alberta Green. His "confession" was discounted by detectives, who said they believed it was a ruse to escape confinement.

Meanwhile, Dr. Max A. Bahr, superintendent, said he was going to ask permission to send Coleman to Michigan City whenever he was captured. Central has no provision for prison discipline or handling the criminally insane, he said.

The slender six-foot tall youth walked a mile in the cold Monday night.

**STRAUSS SAYS:**

A MAN NEED NOT BE INFORMED OF THE TRUTH HE NEEDS BUT TO BE REMINDED.

**CITY TO WEED OUT Rules on Traffic**

(Continued From Page One)

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## Table Shows Comparison Of Old Tax With Proposals

WASHINGTON, Jan. 7 (UP)—The following table shows a comparison of taxes under present law, the new Truman plan and the Republican Knutson bill that is pending in the House:

Single person — no dependents	Present law	Knutson bill	Truman plan
Income after deductions, before exemptions	\$ 600	\$ 19	\$ 27
1,000	57	27	17
1,500	133	80	53
2,000	247	173	207
3,000	485	371	445
5,000	922	727	882
7,000	1,435	1,185	1,385
10,000	2,347	2,003	2,307
20,000	6,645	5,855	6,605
30,000	12,365	10,905	12,235
50,000	25,137	22,482	25,097
100,000	63,541	57,032	63,501
200,000	234,997	211,339	234,937
500,000	407,897	386,949	407,857
1,000,000	840,147	735,974	840,107
Married person — 2 children (All income earned by one spouse)			
2,400	76	0	0
3,000	190	80	30
5,000	589	386	429
7,000	1,045	708	885
10,000	1,862	1,210	1,702
20,000	5,890	3,656	5,730
30,000	11,381	6,977	11,231
50,000	24,111	15,986	23,951
100,000	62,301	44,294	62,141
200,000	233,700	186,226	233,540
500,000	408,600	343,940	408,440
1,000,000	838,850	732,966	838,690

## What President Proposed In Message to Congress—

(Continued From Page One)

protected." The President also asked for an increase in the rate of these benefits.

**HEALTH:** He reiterated the program for a national health program which was ignored in the last session of Congress, calling for medical care based on a federal insurance plan.

**EDUCATION:** He advocated federal financial aid to meet a critical shortage of educational facilities throughout the country, insisting that greater "equality of opportunity" for an education be provided all citizens.

**POWER AND FORESTRY:** He advocated continued construction of multiple-purpose dams to prevent floods and to provide electric power. He said the lesson of the Tennessee Valley Authority should lead to the development of this nation's other great river basins. Again, this was a much repeated theme by the President.

**NEW CABINET POST:** He repeated his recommendation of last year for the creation of an executive department in charge of health, education and security.

**NATURAL RESOURCES:** In general terms, a program to expand current reclamation plans "to bring millions of acres of arid land into production and to improve water supplies for additional millions of acres." He said this would give veterans and others new opportunities, particularly in the West.

## Board Votes 25% Hike in Rents

### Recommendation Goes To Washington

A rent increase of 25 per cent should be granted Indianapolis landlords, according to a vote of the city's Rent Advisory Board.

A board met to form its recommendation which will be sent Saturday to the Office of the Housing Expediter in Washington.

K. V. Ammerman, committee chairman, said this morning he was not ready to announce the official recommendation of the committee.

He called the report of the "25 per cent increase vote" a "leak" and said the entire committee had been pledged to keep its action a secret.

Unofficially the nine member group voted 7 to 2 for the increase in ceilings. Mr. Ammerman and Charles B. Forrest will write a report on the board's majority stand and James A. Robb, another member, will write a minority report.

One provision of the board's recommendation is that rents raised 15 per cent already under the landlord-tenant lease provision would not be affected.

The 25 per cent increase was proposed by the Indianapolis Real Estate Board and the American Home Owners' Union.

Other board members are Mrs. F. B. Ransom; Henry O. Goett, S. P. Meadows, William P. Snethen, Berkley W. Duck Jr. and Herman C. Wolf.

## \$50,000 Fire Hits Evansville School

EVANSVILLE, Jan. 7 (UP)—More than 1600 Central High School students enjoyed an unscheduled holiday today after fire destroyed one wing of the school and temporarily halted a basketball game last night. School officials estimated loss from the blaze at between \$50,000 and \$100,000.

Two classrooms were burned out and two others damaged by the smoke and flames.

Shortly after the fire started an explosion in the building blew out windows in the southwest corner of the school.

A basketball game in the gymnasium across the street from the school was stopped when the fire was reported and 4500 spectators poured out into the street, hindering efforts of firemen battling the blaze.



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